



The Real Facts

A Critical Analysis of the Bush Administration's Claims on CAFTA
Prepared by the Democratic Staff of the Ways and Means Committee

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CAFTA Rejects Clinton Trade Approach

- *CAFTA rejects the Clinton approach to trade.*
 - *The Clinton Administration increasingly integrated into U.S. trade policy basic standards of fairness and decency for working people.*
 - *The Bush Administration has abandoned the Clinton legacy – and instead, offers a race to the bottom.*
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- **Clinton Administration trade agreements increased binding commitments on basic labor standards.**
 - ▶ In 2000, the U.S.-Jordan FTA for the first time effectively included basic labor standards in a trade agreement and made them subject to the same enforcement procedures as all the other provisions. CAFTA does neither.
 - ▶ In 1998, a ground-breaking textile agreement with Cambodia provided positive incentives if Cambodia improved labor enforcement. **Cambodia's apparel exports to the U.S. have tripled** since 1999, from \$359 million to \$1.4 billion in 2004. The Bush Administration refused to extend the agreement to Vietnam and has terminated funding for the Cambodia program effective next year.
 - ▶ In 2000, expansion of the Caribbean Basin Initiative (CBI) and passage of the African Growth and Opportunity Act (AGOA) **substantially strengthened labor provisions by effectively requiring countries to come into compliance with internationally recognized rights of working people.** CAFTA contains no basic labor standards and would prevent the U.S. from using CBI to promote these standards.
 - ▶ The Clinton Administration sharply increased technical assistance to countries to strengthen labor compliance, raising the budget for these programs by more than 1000% from \$12 million in 1998 to \$148 million in 2001. By contrast, the Bush Administration's FY2006 budget proposes **slashing ILAB's funding to \$12 million.**
 - ▶ In 1999, President Clinton in a speech at the University of Chicago called for expanded trade, "but on terms that benefit all people. **The only way to do that is to have trade agreements that lift everybody up, not pull everybody down.**"